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SUBJECT: TIBET: TOURISM, THE TRAIN, AND MIGRANT LABOR

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CHENGDU 00000043 001.2 OF 004

CLASSIFIED BY: James Boughner, Consul General, U.S. Consulate General, Chengdu, China.

REASON: 1.4 (d)

11. (C) Summary: Local officials in charge of tourism, railroad, and labor issues in the Tibetan Autonomous Region (TAR) claim to be "unsure" how many people from inland China may be resettling in traditional Tibetan areas. In 2007, over four million tourists (mostly from inland China) visited the TAR, a region that officially has a population of less than three million people. Tourism facilities are being expanded rapidly both within and outside Lhasa to meet an expected continued rise in demand as massive investments in the TAR's transportation infrastructure -- new airports, roads, railroad extension -- make formerly remote areas more accessible. At least six million people are expected to visit the TAR in 2010. Approximately 43 percent of visitors to the TAR travel via the new train and there does not appear to be any system in place (at least officially) to account for or differentiate between tourist and migrant laborer passengers. A summer 2007 shortage in train seats was addressed by adding more trains that were easily accommodated by Lhasa's massive three-platform, seven-track station. Commenting on the city's changing ethnic composition, a longtime Nepali Consulate official said Lhasa's current population is probably 800,000 people (far greater than other estimates we have heard that range between 300,000 to 500,000) and 82 percent of all businesses in Lhasa are owned by Han. As most (although not all) newcomers are ethnic Han, Lhasa may already have become a majority Han city. In order to promote trade, Nepal has requested that China extend the railroad to its border. End Summary.

Taking the Train

12. (C) During a joint visit by the Consulate and Embassy from February 25-29 to the Tibetan Plateau (see septels), CG, Embassy Poloff, Congenoff, and Tibetan LES road the new train from Xining in Qinghai Province to Lhasa, a trip that took approximately 24 hours. Although the TAR Foreign Affairs Office warned us it might be difficult to get tickets given the likely high demand by people returning to Lhasa following the end of Chinese New Year, we did not find the train to be overly packed.

According to one attendant, the train we were on carried approximately 600 passengers, far fewer than the over 2,000 passengers it sometimes accommodates (with additional cars) during the peak summer period. Most of the people we ran into on the train appeared to be migrant laborers from inland China returning to work on construction projects in the TAR. The only military presence we noted was a soft-sleeper compartment filled with six uniformed Peoples Armed Police (PAP) non-commissioned officers. An FAO handler met us in Lhasa and accompanied us to meetings with tourism, railroad, and labor officials.

Tourism: A Pillar of Tibet's Civilian Economy

13. (SBU) According to Wang Songping, the Deputy Director of the TAR Tourism Bureau, visits by 4.02 million tourists during 2007 resulted in earnings of 4.85 billion RMB (USD 700 million), or one-seventh of Tibet's civilian GDP. Rural people also benefited from tourism, with 8,714 rural households and 34,000 rural people earning money from tourism. A Tourism Bureau study found that 43 percent of tourists to the TAR arrive by train. Increased tourist traffic through the new airport in Linzhi (eastern TAR) and then to Lhasa will reduce high altitude adjustment problems since tourists can arrive at 2,900-meter-high Linzhi (Nyintri in Tibetan) and gradually climb to Lhasa (alt: 3,700 meters). The tourist bureau has found that less than 10 percent of tourists arriving at Linzhi and then going to Lhasa have altitude adjustment problems, while nearly all who fly directly to Lhasa suffer some adjustment difficulties.

14. (SBU) Wang acknowledged that overcrowding in Lhasa during the peak May - September tourist season is a particular concern. Due to the limited capacity of Lhasa to absorb tourists, tourism officials want to develop facilities outside of Lhasa as

CHENGDU 00000043 002.2 OF 004

well as high-quality tourist packages that will increase the average spending of visitors to the TAR. During 2007, the number of Japanese tourists exceeded the number of tourists from the United States for the first time. (Note: according to one official press report, approximately 78,000 Japanese tourists visited the TAR in 2007, a year-on-year increase of 488 percent.

End Note.) Wang commented that Japanese tourists are very fussy about quality while U.S. tourists are "more understanding." Although the Potala Palace has a nominal 2,500 visitor daily limit to control crowding, the limit is often exceeded during the peak season. The TAR is cooperating with the UN Development Program on a USD 400,000 project on sustainable tourism development.

Pressures on the Environment

15. (SBU) Wang noted that China's 11th Five-Year Program anticipates TAR tourism will reach six million by 2010, the last year of the program, and nine million during the course of the Twelfth Five-Year Program. Protecting Tibet's tourism is essential, Wang asserted. Future tourism development will depend upon first satisfying the condition that the environment must be protected. Wang claimed the Tourism Bureau has little idea of the relative numbers of migrant workers versus tourists to the TAR. He noted, however, he thought the Qinghai-Tibet Railroad kept a record of such information.

Lhasa's New Railway Station

¶6. (C) Based just upon our initial observations, the three platforms and seven tracks of the massive Lhasa station, would appear to provide considerable room for expansion of rail passenger and freight service to what remains a relatively small city by Chinese standards. Two to three additional platforms and four to six tracks could be added in the empty area just beyond the platforms. (Comment: judging by labels on consumer products we saw on store shelves in Lhasa, it appears that Lanzhou in Gansu Province may have become a major logistics center for the TAR. End Comment.)

¶7. (SBU) When asked about possible railroad expansion into other areas of the TAR, Lhasa's deputy stationmaster noted that early official reports the rail system would be extended to Shigatse by 2009 were overly optimistic and the project has not yet even started. According to the deputy stationmaster, during peak season 4,000 people per day arrive in Lhasa by train. From November to March (off-season), the trains are often half empty. The railroad "just sells tickets," the stationmaster claimed, it does not keep data on the breakdown between migrant workers, businesspeople, and tourists visiting the TAR. Based on an informal survey, foreigners arriving on the train are mostly from Japan, South Korea and Southeast Asia. When asked about freight tonnage on the train, the deputy stationmaster noted very little cargo moves out of the TAR, but that a lot of food and "beer" is brought in on the train.

¶8. (SBU) According to the deputy stationmaster, train service has been reliable, although the recent heavy snows in the Changsha, Hunan area prevented Guangzhou trains from reaching Lhasa for several days. The Qinghai-Tibet Railroad is training the first generation of Tibetan railroad workers: 28 of the 156 workers at the station are ethnic Tibetans. Cars for the Qinghai-Tibet Railroad are manufactured in Qinghai using Canadian technology. Waste water from the train is not dumped on the tracks as happens sometimes in inland China but is instead stored in tanks under each car and then drained into sewerage plants at railroad stations in Xining, Golmud, and Lhasa.

CHENGDU 00000043 003.2 OF 004

A Visit to the Labor Office

¶9. (C) Yeshe, an ethnic Tibetan who is vice director of the TAR Labor and Employment Service Bureau, told us frankly that government authorities do not control or tightly regulate the migration of workers to the TAR from inland China. Many people find jobs through relatives and friends. During 2007, the Service Bureau helped 27,000 people find jobs and the official unemployment rate is 4.3 percent. Officially, the TAR labor force has reached 1.55 million, a figure that includes some migrant workers. When asked directly to what extent labor force statistics include migrant workers, Yeshe appeared to have no idea. Based on what Yeshe told us, there may be no active collection of statistics on migrant workers coming to Tibet by the labor authorities. (Note: Chinese academics who study

migration into Lhasa rely on estimates from the TAR Public Security Bureau and the Family Planning authorities - see reftels a and b. End Note.) Yeshe remarked the biggest problem faced by the Labor Service Bureau is the great difficulty of facilitating the export of rural labor to urban areas. (Comment: While migration to the cities and remittances back home from rural migrants are an important source of income for rural China, rural Tibetans who seek to migrate to the Chinese interior or to Lhasa face a language barrier and competition from inland Chinese. End comment.)

Nepali Consulate on Lhasa's Growth and the Railroad

¶10. (C) A Nepali consul (protect), who has worked in Lhasa for three years, told CG his Consulate's best estimate for Lhasa's population is 800,000 people. The increase in the number of ethnic Han residing in the city has been quite noticeable during his tenure. Citing what he referred to as more conservative estimates for the population of Lhasa at between 300,000 to 500,000 people, with an ethnic composition of between 50 to 75 percent Tibetan, the Nepali consul observed the inflow of Han during recent years means the city's current population is either predominantly Han or soon will be. He added, however, that rural Tibetans have also been migrating to Lhasa. The Consul estimated 82 percent of businesses in Lhasa are run by Han.

¶11. (C) Although no specific time table has been announced for extending the Qinghai-Tibet railroad from Lhasa to Shigatse, local authorities have told the Nepali Consulate they will only need two years to complete the project once it is begun. Keen to try to increase exports from Nepal to China, Nepal has officially requested that a railway spur be eventually built from Shigatse to the Nepal-China border. The consul also noted, however, such a line would likely result in more Chinese goods going into Nepal.

Comments

¶12. (C) As illustrated by our recent visit, it is difficult to get a precise handle on the current population of Lhasa and its ethnic breakdown. Reftels discuss possible interpretations and analyses, noting that official population statistics for any city in China do not usually include migrant labor and government authorities are not always consistent in specifying whether overall city population statistics they cite include outlying districts. According to an official August 2005 report (which did include estimates on migrant labor) that we accessed from a Lhasa City government web site, Lhasa's urban population was then 257,000 people including a floating population of 100,000 migrant workers and tourists. This official website 2005 report (online at <http://tinyurl.com/ypt8xo>) estimate of 100,000 migrant workers in Lhasa during peak season is consistent with some Chinese

CHENGDU 00000043 004.2 OF 004

scholarly estimates (reftels) based on public security and family planning data which add number of migrant workers and tourists to the officially registered population rather than, as in the website report, including them in the urban population.

¶13. (C) Post notes that this 2005 floating population estimate (likely accurate) may have been placed on the Lhasa website by mistake, since migrant worker counts, as noted above, are as a rule not included in Chinese estimates of urban population. The 2005 report also claimed 264,000 additional people in "agriculture and pastoral" districts under Lhasa city, for a total Lhasa population of permanent population of 521,500 people, 90 percent of whom were reportedly ethnic Tibetans or other minorities (an almost impossible low and logically inconsistent figure of about 52,000 Han). Anecdotal reports and scholarly studies suggest that the proportion of Tibetans is much lower, especially in the urban districts. A 2006 scholarly study (reftel A) found 34 percent ethnic Han in urban districts (or at least 17 percent Han overall since the urban district was about half the population) already in 2000.

¶14. (C) Recent estimates of some Chinese scholars put Lhasa's permanent urban population ("shi qu") at around 400,000, to which they add over 200,000 migrant workers (mostly from inland China) during the peak season. Over the last several years, and especially after the July 2006 start of train service, Lhasa's migrant worker and tourist population has grown very rapidly. Realistically, based on continued inflows of people from inland China, as well as the observations of most longtime Tibet watchers, there appears little doubt that Lhasa is becoming increasingly Han.

¶15. (U) This report was coordinated with Embassy Beijing.
BOUGHNER